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C O N F I D E N T I A L SECTION 01 OF 02 ANKARA 003624

SIPDIS

DEPARTMENT FOR EB/ESC/TFS (GGLASS), S/CT (TNAVRATIL),
EUR/SE, IO/PHO (APEREZ); TREASURY FOR JZARATE, FINCEN
(JBREWER AND MJMELANCON), OASIA (ADKINS AND MILLS), OFAC
(RNEWCOMB); NSC FOR GPETERS, MBRYZA AND TMCKIBBEN

E.O. 12958: DECL: 06/18/2014

TAGS: [EFIN](#) [PTER](#) [TU](#)

SUBJECT: TURKISH OFFICIALS CRITICIZE FINANCIAL INTELLIGENCE
UNIT

REF: A. STATE 989148

[1](#)B. ANKARA 03234

Classified By: DEPUTY CHIEF OF MISSION ROBERT S. DEUTSCH. REASONS: 1.4
(B), (D)

[1](#)1. (C) Summary. Officials at the Turkish National Police
(TNP) and Ministry of Justice have pointedly criticized
Turkey,s financial intelligence unit as being uncooperative
and poorly run. End summary.

Police Official Derides MASAK ...

[1](#)2. (U) On 18 June, Econoff met with Emin Arslan, TNP
Deputy Director General, to share an Executive Summary of the
FSAT report (Ref A) and solicit his thoughts on the state of
Turkey,s AML-ATF regime. One week earlier, Ambassador had
met with Finance Minister Unakitan and the President of
Turkey,s Financial Intelligence Unit, the Financial Crimes
Investigation Board (known by its Turkish acronym, MASAK) to
discuss the Executive Summary, and was told in essence that
no substantial changes to the AML-ATF regime were required
(Ref B).

[1](#)3. (C) With little prompting, Arslan launched into a
strong and detailed criticism of Turkey,s AML-ATF regime,
and of MASAK itself) repeating, he said, criticisms that he
has in the past publicly leveled against MASAK. Among the
points he made are that (a) MASAK has a poor relationship
with prosecutors and the police, and indeed in its entire
history has sent but one file to prosecutors, which was
rejected as insufficiently prepared; (b) MASAK can only
initiate an investigation with approval from Minister
Unakitan, which politicizes the process; (c) MASAK personnel
are not adequately trained in financial analysis; and (d)
MASAK lacks investigative powers. As such, Arslan said,
successful AML-ATF prosecutions are very difficult and rare.

[1](#)4. (C) Arslan agreed with Econoff,s suggestion that
Turkey should take a task-force8 approach to the problem,
with police, prosecutors, MASAK, bank inspectors and others
all working together as a team. He said that Turkey currently
has a law permitting the formation of task forces (which
others within TNP have characterized as very successful), but
that this law is narrowly drawn to apply to organized crime
cases, and thus of limited utility in AML-ATF cases. Arslan
said further that, in 2000, a draft law was drawn up by MOI,
MOJ, law professors and other luminaries, which was intended
to solve this problem, but that the Ministry of Finance never
acted on it. Arslan urged Post to distribute the Executive
Summary widely throughout GOT, in an attempt to gain some
traction with this issue. Arslan accepted Econoff,s
invitation to meet with FincEN representatives during their
upcoming visit the week of July 12, and suggested that MASAK
representatives also be invited to participate in the
meeting. He acknowledged, however, that it is unlikely that
MASAK would accept the invitation.

... As Does A MOJ Official

[1](#)5. (C) On June 22, Econoff met with Judge Abdulkadir Kaya,
Director General for International Law and Foreign Relations
at the Ministry of Justice, again to share the Executive
Summary and solicit his thoughts on the AML-ATF regime. Kaya
said that new task-force legislation is not necessary, as the
current AML law is sufficient to permit MASAK to cooperate
with prosecutors. According to Kaya, the problem is that
MASAK does not want to cooperate with police and prosecutors,
preferring to conduct investigations itself -- which, Kaya
said, is an arrogation of responsibility that is not
supported by the law, since MASAK's sole duty is to assemble
and analyze financial data, not conduct investigations.
According to Kaya, when any evidence of a crime is uncovered,
MASAK should immediately inform the prosecutors, who will
then conduct the investigation, assisted by police when
necessary. Kaya said that the impediment to an effective

AML-ATF regime exists "in the minds" of the people at MASAK,
not the law.

Comment

16. (C) Kaya's disagreement with Arslan over the advisability of a "task-force" approach is superficial, since Kaya used the term "task-force" as it is defined in the law (a court-ordered investigation of a particular criminal enterprise), while Arslan used it in an operative sense (a team approach to investigation and prosecution). On substance, they are in agreement: More interagency cooperation is needed. While Arslan and Kaya were unusually blunt in their criticisms of MASAK, it is clear from conversations with other contacts that their feelings are shared by wide segments within TNP, and the Justice and Foreign Affairs Ministries -- as well as by officials in the British, Canadian and German embassies.

17. (C) Post is encouraged by the fact that elements within the GOT understand the problem and are attempting to solve it. At the same time, it is becoming increasingly obvious that improving Turkey's AML-ATF regime is not a priority of the Finance Ministry. There may be a benign explanation for MOF's seeming indifference. Alternatively, as some Post contacts speculate, MOF may be motivated by a desire to limit corruption investigations instituted against certain government and AK Party officials (including Minister Unakitan, for actions taken before joining the government, while he was a board member of Al-Baraka bank). (According to the president of the Financial Inspection Board -- an inspector-general type entity -- a recently enacted law curtailing its powers was similarly motivated, although we note that the IMF and World Bank supported this new law.) In any event, Post intends to maintain the pressure on GOT to strengthen its AML-ATF regime (Ref A).

EDELMAN